

AN ACT

relating to the administration of and benefits payable by the Teacher Retirement System of Texas and to certain domestic relations orders.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subsection (i), Section 411.081, Government Code, as amended by Chapters 183 (H.B. 1830), 780 (S.B. 1056), 816 (S.B. 1599), and 1027 (H.B. 4343), Acts of the 81st Legislature, Regular Session, 2009, is reenacted and amended to read as follows:

(i) A criminal justice agency may disclose criminal history record information that is the subject of an order of nondisclosure under Subsection (d) to the following noncriminal justice agencies or entities only:

- (1) the State Board for Educator Certification;
- (2) a school district, charter school, private school, regional education service center, commercial transportation company, or education shared service arrangement;
- (3) the Texas Medical Board;
- (4) the Texas School for the Blind and Visually Impaired;
- (5) the Board of Law Examiners;
- (6) the State Bar of Texas;
- (7) a district court regarding a petition for name change under Subchapter B, Chapter 45, Family Code;

- 1 (8) the Texas School for the Deaf;
- 2 (9) the Department of Family and Protective Services;
- 3 (10) the Texas Youth Commission;
- 4 (11) the Department of Assistive and Rehabilitative
- 5 Services;
- 6 (12) the Department of State Health Services, a local
- 7 mental health service, a local mental retardation authority, or a
- 8 community center providing services to persons with mental illness
- 9 or retardation;
- 10 (13) the Texas Private Security Board;
- 11 (14) a municipal or volunteer fire department;
- 12 (15) the Texas Board of Nursing;
- 13 (16) a safe house providing shelter to children in
- 14 harmful situations;
- 15 (17) a public or nonprofit hospital or hospital
- 16 district;
- 17 (18) the Texas Juvenile Probation Commission;
- 18 (19) the securities commissioner, the banking
- 19 commissioner, the savings and mortgage lending commissioner, or the
- 20 credit union commissioner;
- 21 (20) the Texas State Board of Public Accountancy;
- 22 (21) the Texas Department of Licensing and Regulation;
- 23 (22) the Health and Human Services Commission;
- 24 (23) the Department of Aging and Disability Services;
- 25 (24) the Texas Education Agency; ~~and~~
- 26 (25) the Guardianship Certification Board; ~~and~~
- 27 (26) a county clerk's office in relation to a

proceeding for the appointment of a guardian under Chapter XIII,  
Texas Probate Code;

(27) [~~(25)~~] the Department of Information Resources  
but only regarding an employee, applicant for employment,  
contractor, subcontractor, intern, or volunteer who provides  
network security services under Chapter 2059 to:

(A) the Department of Information Resources; or

(B) a contractor or subcontractor of the  
Department of Information Resources;

(28) [~~(25)~~] the Court Reporters Certification Board;  
[and]

(29) [~~(25)~~] the Texas Department of Insurance; and

(30) the Teacher Retirement System of Texas.

SECTION 2. Subchapter F, Chapter 411, Government Code, is  
amended by adding Section 411.0971 to read as follows:

Sec. 411.0971. ACCESS TO CRIMINAL HISTORY RECORD  
INFORMATION: TEACHER RETIREMENT SYSTEM OF TEXAS. (a) The Teacher  
Retirement System of Texas is entitled to obtain from the  
department, the Federal Bureau of Investigation Criminal Justice  
Information Services Division, or another law enforcement agency  
criminal history record information maintained by the department,  
division, or agency that relates to a person who:

(1) is an employee or an applicant for employment with  
the retirement system;

(2) is a consultant, contract employee, independent  
contractor, intern, or volunteer for the retirement system or an  
applicant to serve in one of those positions;

1           (3) proposes to enter into a contract with or has a  
2 contract with the retirement system to perform services for or  
3 supply goods to the retirement system; or

4           (4) is an employee or subcontractor, or an applicant  
5 to be an employee or subcontractor, of a contractor that provides  
6 services to the retirement system.

7           (b) Criminal history record information obtained by the  
8 Teacher Retirement System of Texas under Subsection (a) may not be  
9 released or disclosed to any person except:

10           (1) on court order;

11           (2) with the consent of the person who is the subject  
12 of the criminal history record information; or

13           (3) to a federal agency as required by federal law or  
14 executive order.

15           (c) The Teacher Retirement System of Texas shall destroy  
16 criminal history record information obtained under this section  
17 after the information is used for the purposes authorized by this  
18 section.

19           (d) The Teacher Retirement System of Texas may provide a  
20 copy of the criminal history record information obtained from the  
21 department, the Federal Bureau of Investigation Criminal Justice  
22 Information Services Division, or other law enforcement agency to  
23 the individual who is the subject of the information.

24           (e) The failure or refusal of an employee or applicant to  
25 provide the following on request constitutes good cause for  
26 dismissal or refusal to hire:

27           (1) a complete set of fingerprints;

1           (2) a true and complete name; or

2           (3) other information necessary for a law enforcement  
3 entity to obtain criminal history record information.

4           SECTION 3. Subchapter F, Chapter 551, Government Code, is  
5 amended by adding Section 551.130 to read as follows:

6           Sec. 551.130. BOARD OF TRUSTEES OF TEACHER RETIREMENT  
7 SYSTEM OF TEXAS: QUORUM PRESENT AT ONE LOCATION. (a) In this  
8 section, "board" means the board of trustees of the Teacher  
9 Retirement System of Texas.

10           (b) This chapter does not prohibit the board or a board  
11 committee from holding an open or closed meeting by telephone  
12 conference call.

13           (c) The board or a board committee may hold a meeting by  
14 telephone conference call only if a quorum of the applicable board  
15 or board committee is physically present at one location of the  
16 meeting.

17           (d) A telephone conference call meeting is subject to the  
18 notice requirements applicable to other meetings. The notice must  
19 also specify:

20                 (1) the location of the meeting where a quorum of the  
21 board or board committee, as applicable, will be physically  
22 present; and

23                 (2) the intent to have a quorum present at that  
24 location.

25           (e) The location where a quorum is physically present must  
26 be open to the public during the open portions of a telephone  
27 conference call meeting. The open portions of the meeting must be

1 audible to the public at the location where the quorum is present  
2 and be tape-recorded at that location. The tape recording shall be  
3 made available to the public.

4 (f) The location of the meeting shall provide two-way  
5 communication during the entire telephone conference call meeting,  
6 and the identification of each party to the telephone conference  
7 call must be clearly stated before the party speaks.

8 (g) The authority provided by this section is in addition to  
9 the authority provided by Section 551.125.

10 (h) A member of the board who participates in a board or  
11 board committee meeting by telephone conference call but is not  
12 physically present at the location of the meeting is not considered  
13 to be absent from the meeting for any purpose. The vote of a member  
14 of the board who participates in a board or board committee meeting  
15 by telephone conference call is counted for the purpose of  
16 determining the number of votes cast on a motion or other  
17 proposition before the board or board committee.

18 (i) A member of the board may participate remotely by  
19 telephone conference call instead of by being physically present at  
20 the location of a board meeting for not more than one board meeting  
21 per calendar year. A board member who participates remotely in any  
22 portion of a board meeting by telephone conference call is  
23 considered to have participated in the entire board meeting by  
24 telephone conference call. For purposes of the limit provided by  
25 this subsection, remote participation by telephone conference call  
26 in a meeting of a board committee does not count as remote  
27 participation by telephone conference call in a meeting of the

1 board, even if:

2 (1) a quorum of the full board attends the board  
3 committee meeting; or

4 (2) notice of the board committee meeting is also  
5 posted as notice of a board meeting.

6 (j) A person who is not a member of the board may not speak  
7 at the meeting from a remote location by telephone conference call,  
8 except as provided by Section 551.129.

9 SECTION 4. Subchapter C, Chapter 552, Government Code, is  
10 amended by adding Section 552.153 to read as follows:

11 Sec. 552.153. EXCEPTION: NAME OF APPLICANT FOR EXECUTIVE  
12 DIRECTOR, CHIEF INVESTMENT OFFICER, OR CHIEF AUDIT EXECUTIVE OF  
13 TEACHER RETIREMENT SYSTEM OF TEXAS. The name of an applicant for  
14 the position of executive director, chief investment officer, or  
15 chief audit executive of the Teacher Retirement System of Texas is  
16 excepted from the requirements of Section 552.021, except that the  
17 board of trustees of the Teacher Retirement System of Texas must  
18 give public notice of the names of three finalists being considered  
19 for one of those positions at least 21 days before the date of the  
20 meeting at which the final action or vote is to be taken on choosing  
21 a finalist for employment.

22 SECTION 5. Section 804.003, Government Code, is amended by  
23 amending Subsections (f) and (g) and adding Subsection (p) to read  
24 as follows:

25 (f) A domestic relations order is a qualified domestic  
26 relations order only if such order:

27 (1) clearly specifies the;

1                   (A) name[~~, social security number,~~] and last  
2 known mailing address[~~, if any,~~] of:

3                   (i) the member or retiree; and

4                   (ii) [~~the name, social security number, and~~  
5 ~~mailing address of~~] each alternate payee covered by the order; and

6                   (B) social security number, or an express  
7 authorization for the parties to use an alternate method acceptable  
8 to the public retirement system to verify the social security  
9 number, of the member or retiree and each alternate payee covered by  
10 the order;

11                   (2) clearly specifies the amount or percentage of the  
12 member's or retiree's benefits to be paid by a public retirement  
13 system to each such alternate payee or the manner in which such  
14 amount or percentage is to be determined;

15                   (3) clearly specifies the number of payments or the  
16 period to which such order applies;

17                   (4) clearly specifies that such order applies to a  
18 designated public retirement system;

19                   (5) does not require the public retirement system to  
20 provide any type or form of benefit or any option not otherwise  
21 provided under the plan;

22                   (6) does not require the public retirement system to  
23 provide increased benefits determined on the basis of actuarial  
24 value;

25                   (7) does not require the payment of benefits to an  
26 alternate payee which are required to be paid to another alternate  
27 payee under another order previously determined to be a qualified



1 domestic relations order; and

2 (8) does not require the payment of benefits to an  
3 alternate payee before the retirement of a member, the distribution  
4 of a withdrawal of contributions to a member, or other distribution  
5 to a member required by law.

6 (g) A public retirement system may reject a domestic  
7 relations order as a qualified domestic relations order unless the  
8 order:

9 (1) provides for a proportional reduction of the  
10 amount awarded to an alternate payee in the event of the retirement  
11 of the member before normal retirement age;

12 (2) does not purport to require the designation of a  
13 particular person as the recipient of benefits in the event of a  
14 member's or annuitant's death;

15 (3) does not purport to require the selection of a  
16 particular benefit payment plan or option;

17 (4) provides clearly for each possible benefit  
18 distribution under plan provisions;

19 (5) does not require any action on the part of the  
20 retirement system contrary to its governing statutes or plan  
21 provision other than the direct payment of the benefit awarded to an  
22 alternate payee;

23 (6) does not make the award of an interest contingent  
24 on any condition other than those conditions resulting in the  
25 liability of a retirement system for payments under its plan  
26 provisions;

27 (7) does not purport to award any future benefit

1 increases that are provided or required by the legislature; ~~and~~

2 (8) provides for a proportional reduction of the  
3 amount awarded to an alternate payee in the event that benefits  
4 available to the retiree or member are reduced by law; and

5 (9) if required by the retirement system, conforms to  
6 a model order adopted by the retirement system.

7 (p) A public retirement system may assess administrative  
8 fees on a party who is subject to a domestic relations order for the  
9 review of the order under this subchapter and, as applicable, for  
10 the administration of payments under an order that is determined to  
11 be qualified. In addition to other methods of collecting fees that  
12 a retirement system may establish, the retirement system may deduct  
13 fees from payments made under the order.

14 SECTION 6. Section 821.008, Government Code, is amended to  
15 read as follows:

16 Sec. 821.008. PURPOSE OF RETIREMENT SYSTEM. (a) The  
17 purpose of the retirement system is to invest and protect funds of  
18 the retirement system and to deliver the benefits provided by  
19 statute, not to advocate or influence legislative action or  
20 inaction or to advocate higher benefits.

21 (b) This section does not prohibit comments by an employee  
22 of the retirement system on federal laws, regulations, or other  
23 official actions or proposed actions affecting or potentially  
24 affecting the retirement system that are made in accordance with  
25 policies adopted by the board.

26 SECTION 7. Section 823.002, Government Code, is amended by  
27 adding Subsection (b) to read as follows:

1       (b) A member shall notify the retirement system in writing  
2 of membership service that has not been properly credited by the  
3 retirement system on an annual statement. The member must provide  
4 verification and make deposits as required by the retirement system  
5 before the service may be credited. A member must notify the  
6 retirement system of the service in writing on or before the last  
7 day of the fifth school year after the end of the school year in  
8 which the service was rendered for the service to be credited.

9       SECTION 8. Subchapter A, Chapter 824, Government Code, is  
10 amended by adding Section 824.008 to read as follows:

11       Sec. 824.008. DEDUCTIONS FROM AMOUNTS PAYABLE BY THE  
12 RETIREMENT SYSTEM. (a) Notwithstanding Section 821.005, the  
13 retirement system may deduct the amount of a person's indebtedness  
14 to the retirement system from an amount payable by the retirement  
15 system to the person or the person's estate and the distributees of  
16 the estate.

17       (b) If the retirement system makes a payment to a  
18 participant who is deceased and the payment is not payable, the  
19 retirement system may deduct the amount of the payment from any  
20 amount payable by the retirement system to a person who received the  
21 payment or to that person's estate and distributees of the estate.

22       SECTION 9. Section 824.1013, Government Code, is amended by  
23 adding Subsection (c-1) to read as follows:

24       (c-1) Notwithstanding Subsection (c), a beneficiary  
25 designated under this section is entitled on the retiree's death to  
26 receive monthly payments of the survivor's portion of the retiree's  
27 optional retirement annuity for the remainder of the beneficiary's

1 life if the beneficiary designated at the time of the retiree's  
2 retirement is a trust and the beneficiary designated under this  
3 section is the sole beneficiary of that trust.

4 SECTION 10. Subsection (a), Section 824.103, Government  
5 Code, is amended to read as follows:

6 (a) Benefits payable on the death of a member or annuitant,  
7 except an optional retirement annuity under Section 824.204(c)(1),  
8 (c)(2), or (c)(5), are payable, and rights to elect survivor  
9 benefits, if applicable, are available, to one of the classes of  
10 persons described in Subsection (b), if:

11 (1) the member or annuitant fails to designate a  
12 beneficiary before death;

13 (2) a designated beneficiary does not survive the  
14 member or annuitant; ~~or~~

15 (3) a designated beneficiary, under Section 824.004,  
16 waives claims to benefits payable on the death of the member or  
17 annuitant;

18 (4) a beneficiary designation is revoked under Section  
19 824.101(g); or

20 (5) a person is not eligible to receive a benefit under  
21 Section 824.105.

22 SECTION 11. Section 824.105, Government Code, is amended by  
23 amending Subsections (a), (c), and (d) and adding Subsection (f) to  
24 read as follows:

25 (a) A benefit payable on the death of a member or annuitant  
26 may not be paid to a person who has been convicted of causing that  
27 death or who is otherwise ineligible under Subsection (f) but

1 instead is payable to a person who would be entitled to the benefit  
2 had the convicted or otherwise ineligible person predeceased the  
3 decedent.

4 (c) The retirement system shall reduce any annuity computed  
5 in part on the age of the convicted or otherwise ineligible person  
6 to a lump sum equal to the present value of the remainder of the  
7 annuity. The reduced amount is payable to a person entitled as  
8 provided by this section to receive the benefit.

9 (d) The retirement system is not required to pay benefits  
10 under this section unless it receives actual notice of the  
11 conviction or other ground of ineligibility of a beneficiary.  
12 However, the retirement system may delay payment of a benefit  
13 payable on the death of a member or annuitant pending the results of  
14 a criminal investigation and of legal proceedings relating to the  
15 cause of death.

16 (f) A person is ineligible to receive a benefit payable on  
17 the death of a member or annuitant if the person is:

18 (1) found not guilty by reason of insanity under  
19 Chapter 46C, Code of Criminal Procedure, of causing the death of the  
20 member or annuitant; or

21 (2) the subject of an indictment, information,  
22 complaint, or other charging instrument alleging that the person  
23 caused the death of the member or annuitant and the person is  
24 determined to be incompetent to stand trial under Chapter 46B, Code  
25 of Criminal Procedure.

26 SECTION 12. Subsections (a-1) and (b-1), Section 824.202,  
27 Government Code, are amended to read as follows:

(a-1) This subsection applies only to a person who becomes a member of the retirement system on or after September 1, 2007 [~~2006~~]. A member subject to this subsection is eligible to retire and receive a standard service retirement annuity if:

(1) the member is at least 65 years old and has at least five years of service credit in the retirement system; or

(2) the member is at least 60 years old and has at least five years of service credit in the retirement system and the sum of the member's age and amount of service credit in the retirement system equals the number 80.

(b-1) This subsection applies only to a person who becomes a member of the retirement system on or after September 1, 2007 [~~2006~~]. If a member subject to this subsection is at least 55 years old and has at least five years of service credit in the retirement system, but does not meet the requirements under Subsection (d-1), the member is eligible to retire and receive a service retirement annuity reduced from the standard service retirement annuity available under Subsection (a-1)(1), to a percentage derived from the following table:

Age at date of retirement	55	56	57	58	59	60	61	62	63	64	65
Percentage of standard annuity receivable	47%	51%	55%	59%	63%	67%	73%	80%	87%	93%	100%

SECTION 13. Section 824.405, Government Code, is amended to read as follows:

Sec. 824.405. TABLES FOR DETERMINATION OF DEATH BENEFIT

ANNUITY. For the purpose of computing a death benefit annuity under Section 824.402(a)(4) or Section 824.403, the board of trustees shall extend the tables[+]

[~~(1)~~] in Section 824.202 [~~824.202(b) or (b-1)~~], as ~~applicable,~~ to ages earlier than indicated in the tables [~~55 years~~] by actuarially reducing the benefit available under the applicable table [~~at the age of 55 years~~] to the actuarial equivalent at the attained age of the member [~~beneficiary, and~~

[~~(2) in Section 824.202(b) or (d-1)~~], as ~~applicable, to ages earlier than the earliest retirement age by actuarially reducing the benefit available at the earliest retirement age to the actuarial equivalent at the attained age of the beneficiary~~].

SECTION 14. Section 825.002, Government Code, is amended by amending Subsections (f) and (g) and adding Subsection (h) to read as follows:

(f) Persons considered for nomination under Subsection (c), (d), or (e) must have been nominated [~~by written ballot~~] at an election conducted under rules adopted by the board of trustees.

(g) To provide for the nomination of persons for appointment under Subsection (d), the board shall send to each retiree of the retirement system:

(1) notice of the deadline for filing as a candidate for nomination;

(2) information on procedures to follow in filing as a candidate; and

(3) instructions on how to request a paper ballot or vote in another manner established by the board, including by

1 telephone or other electronic means ~~[a written ballot]~~.

2       (h) If only two persons are nominated under Subsection (c),  
3 (d), or (e), the governor shall appoint a member of the board to the  
4 applicable trustee position from the slate of two nominated  
5 persons. If only one person is nominated under Subsection (c), (d),  
6 or (e), the governor shall appoint that person to the applicable  
7 trustee position. If no member or retiree is nominated for a  
8 position under Subsection (c), (d), or (e), the governor shall  
9 appoint to the applicable trustee position a person who otherwise  
10 meets the qualifications required for the position.

11       SECTION 15. Subsection (c), Section 825.206, Government  
12 Code, is amended to read as follows:

13       (c) The board of trustees annually shall evaluate the  
14 performance of the actuary during the previous year. At least once  
15 every four ~~[three]~~ years, the board shall redesignate its actuary  
16 after advertising for and reviewing proposals from providers of  
17 actuarial services.

18       SECTION 16. Section 825.215, Government Code, is amended to  
19 read as follows:

20       Sec. 825.215. ADVOCACY PROHIBITED. (a) An employee of the  
21 retirement system may not advocate increased benefits or engage in  
22 activities to advocate or influence legislative action or inaction.  
23 Advocacy or activity of this nature is grounds for dismissal of an  
24 employee.

25       (b) This section does not prohibit comments by an employee  
26 of the retirement system on federal laws, regulations, or other  
27 official actions or proposed actions affecting or potentially



1 affecting the retirement system that are made in accordance with  
2 policies adopted by the board.

3 SECTION 17. Section 825.315, Government Code, is amended to  
4 read as follows:

5 Sec. 825.315. PROHIBITED USE OF ASSETS. (a) Assets of the  
6 retirement system may not be used to advocate or influence the  
7 outcome of an election or the passage or defeat of any legislative  
8 measure. This prohibition may not be construed to prevent any  
9 trustee or employee from furnishing information in the hands of the  
10 trustee or employee that is not considered confidential under law  
11 to a member or committee of the legislature, to any other state  
12 officer or employee, or to any private citizen, at the request of  
13 the person or entity to whom the information is furnished. This  
14 prohibition does not apply to the incidental use of retirement  
15 system facilities by groups of members or retirees or by officers or  
16 employees of state agencies.

17 (b) This section does not prohibit the use of system assets  
18 by an employee of the retirement system to comment on federal laws,  
19 regulations, or other official actions or proposed actions  
20 affecting or potentially affecting the retirement system that are  
21 made in accordance with policies adopted by the board.

22 SECTION 18. Section 825.408, Government Code, is amended to  
23 read as follows:

24 Sec. 825.408. INTEREST ON CONTRIBUTIONS AND FEES; DEPOSITS  
25 IN TRUST. (a) An employer [~~employing district~~] that fails to  
26 remit, before the seventh day after the last day of a month, all  
27 member and employer deposits and documentation of the deposits

required by this subchapter to be remitted by the employer ~~[district]~~ for the month shall pay to the retirement system, in addition to the deposits, interest on the unpaid or undocumented amounts at an annual rate compounded monthly. The rate of interest is the rate established under Section 825.313(b)(1), plus two percent. Interest required under this section is creditable to the interest account. On request, the retirement system may grant a waiver of the deadline imposed by this subsection based on an employer's ~~[a district's]~~ financial or technological resources.

(b) An employer ~~[employing district]~~ and its trustees or other governing body hold amounts due to the retirement system under this subtitle in trust for the retirement system and its members and may not divert the amounts to any other purpose.

SECTION 19. Subsection (b), Section 825.507, Government Code, is amended to read as follows:

(b) The retirement system may release records of a participant, including a participant to which Chapter 803 applies, to:

(1) the participant or the participant's attorney or guardian or another person who the executive director determines is acting on behalf of the participant;

(2) the executor or administrator of the deceased participant's estate, including information relating to the deceased participant's beneficiary, or if an executor or administrator of the deceased participant's estate has not been named, a person or entity who the executive director determines is acting in the interest of the deceased participant's estate, or an

1 heir, legatee, or devisee of the deceased participant;

2           (3) a spouse or former spouse of the participant if the  
3 executive director determines that the information is relevant to  
4 the spouse's or former spouse's interest in member accounts,  
5 benefits, or other amounts payable by the retirement system;

6           (4) an administrator, carrier, consultant, attorney,  
7 or agent acting on behalf of the retirement system;

8           (5) a governmental entity, an employer, or the  
9 designated agent of an employer, only to the extent the retirement  
10 system needs to share the information to perform the purposes of the  
11 retirement system, as determined by the executive director;

12           (6) a person authorized by the participant in writing  
13 to receive the information;

14           (7) a federal, state, or local criminal law  
15 enforcement agency that requests a record for a law enforcement  
16 purpose;

17           (8) the attorney general to the extent necessary to  
18 enforce child support; or

19           (9) a party in response to a subpoena issued under  
20 applicable law if the executive director determines that the  
21 participant will have a reasonable opportunity to contest the  
22 subpoena.

23       SECTION 20. Subsection (a), Section 825.515, Government  
24 Code, is amended to read as follows:

25       (a) At least annually, the retirement system shall acquire  
26 and maintain records identifying members and the types of positions  
27 they hold as members. The type of position shall be identified as

1 Administrative/Professional, Teacher/Full-Time Librarian,  
2 Support, ~~[or]~~ Bus Driver, or Peace Officer. For each member  
3 identified as a Peace Officer, the records must specify whether the  
4 member is an employee of an institution of higher education or of a  
5 public school that is not an institution of higher education. An  
6 employer shall provide the information required by this section in  
7 the form and manner specified by the retirement system.

8 SECTION 21. Subdivision (1), Section 1575.003, Insurance  
9 Code, is amended to read as follows:

10 (1) "Dependent" means:

11 (A) the spouse of a retiree;

12 (B) an unmarried child of a retiree or deceased  
13 active member if the child is younger than 25 years of age,  
14 including:

15 (i) an adopted child;

16 (ii) a foster child, stepchild, or other  
17 child who is in a regular parent-child relationship; or

18 (iii) a recognized natural child;

19 (C) a retiree's recognized natural child,  
20 adopted child, foster child, stepchild, or other child who is in a  
21 regular parent-child relationship and who lives with or has his or  
22 her care provided by the retiree or surviving spouse on a regular  
23 basis regardless of the child's age, if the child has a mental  
24 disability ~~[is mentally retarded]~~ or is physically incapacitated to  
25 an extent that the child is dependent on the retiree or surviving  
26 spouse for care or support, as determined by the trustee; or

27 (D) a deceased active member's recognized

1 natural child, adopted child, foster child, stepchild, or other  
2 child who is in a regular parent-child relationship, without regard  
3 to the age of the child, if, while the active member was alive, the  
4 child:

5 (i) lived with or had the child's care  
6 provided by the active member on a regular basis; and

7 (ii) had a mental disability [~~was mentally~~  
8 ~~retarded~~] or was physically incapacitated to an extent that the  
9 child was dependent on the active member or surviving spouse for  
10 care or support, as determined by the trustee.

11 SECTION 22. Section 1575.206, Insurance Code, is amended to  
12 read as follows:

13 Sec. 1575.206. CONTRIBUTIONS HELD IN TRUST FOR FUND. An  
14 employing public school [~~district~~] and its governing body  
15 [~~trustees~~]:

16 (1) hold contributions required by this subchapter in  
17 trust for the fund and its participants; and

18 (2) may not divert the contributions for any other  
19 purpose.

20 SECTION 23. Section 1575.207, Insurance Code, is amended to  
21 read as follows:

22 Sec. 1575.207. INTEREST ASSESSED ON LATE PAYMENT OF  
23 DEPOSITS BY EMPLOYING PUBLIC SCHOOLS [~~SCHOOL DISTRICTS~~]. (a) An  
24 employing public school [~~district~~] that does not remit to the  
25 trustee all contributions required by this subchapter before the  
26 seventh day after the last day of the month shall pay to the fund:

27 (1) the contributions; and

1           (2) interest on the unpaid amounts at the annual rate  
2 of six percent compounded monthly.

3           (b) On request, the trustee may grant a waiver of the  
4 deadline imposed by this section based on an employing public  
5 school's [~~district's~~] financial or technological resources.

6           SECTION 24. Section 1579.004, Insurance Code, is amended to  
7 read as follows:

8           Sec. 1579.004. DEFINITION OF DEPENDENT. In this chapter,  
9 "dependent" means:

10           (1) a spouse of a full-time employee or part-time  
11 employee;

12           (2) an unmarried child of a full-time or part-time  
13 employee if the child is younger than 25 years of age, including:

14                   (A) an adopted child;

15                   (B) a foster child, stepchild, or other child who  
16 is in a regular parent-child relationship; and

17                   (C) a recognized natural child;

18           (3) a full-time or part-time employee's recognized  
19 natural child, adopted child, foster child, stepchild, or other  
20 child who is in a regular parent-child relationship and who lives  
21 with or has his or her care provided by the employee or the  
22 surviving spouse on a regular basis, regardless of the child's age,  
23 if the child has a mental disability [~~is mentally retarded~~] or is  
24 physically incapacitated to an extent that the child is dependent  
25 on the employee or surviving spouse for care or support, as  
26 determined by the board of trustees; and

27           (4) notwithstanding any other provision of this code,

1 any other dependent of a full-time or part-time employee specified  
2 by rules adopted by the board of trustees.

3         SECTION 25. A member of the Teacher Retirement System of  
4 Texas who seeks credit under Subsection (b), Section 823.002,  
5 Government Code, as added by this Act, for service rendered before  
6 September 1, 2011, but not properly credited to a member's annual  
7 statement, must notify the retirement system not later than the  
8 date specified in Subsection (b), Section 823.002, Government Code,  
9 as added by this Act, or August 31, 2016, whichever is later.

10         SECTION 26. (a) The change in law made by this Act to  
11 Section 804.003, Government Code, applies only to a qualified  
12 domestic relations order entered on or after the effective date of  
13 this Act. A qualified domestic relations order entered before the  
14 effective date of this Act is governed by the law in effect  
15 immediately before that date, and the former law is continued in  
16 effect for that purpose.

17         (b) The changes in law made by this Act to Section 824.105,  
18 Government Code, apply only to the death of a member or annuitant of  
19 the Teacher Retirement System of Texas that is caused by conduct  
20 that occurs on or after the effective date of this Act. The death of  
21 a member or annuitant that is caused by conduct that occurs before  
22 the effective date of this Act is governed by the law in effect  
23 immediately before that date, and the former law is continued in  
24 effect for that purpose.

25         (c) The change in law made by this Act to Section 825.002,  
26 Government Code, applies only to a vacancy on the board of trustees  
27 of the Teacher Retirement System of Texas for a term that expires on

1 or after the effective date of this Act. A vacancy for a term that  
2 expires before the effective date of this Act is governed by the law  
3 in effect immediately before that date, and the former law is  
4 continued in effect for that purpose.

5 (d) The change in law made by this Act to Subsection (b),  
6 Section 825.507, Government Code, applies only to the release of  
7 records by the Teacher Retirement System of Texas on or after the  
8 effective date of this Act. The release of records before the  
9 effective date of this Act is governed by the law in effect  
10 immediately before that date, and the former law is continued in  
11 effect for that purpose.

12 SECTION 27. (a) Notwithstanding Subsection (a), Section  
13 825.404, Government Code, for the state fiscal year ending August  
14 31, 2012, the amount of the state contribution to the Teacher  
15 Retirement System of Texas under that section may be less than the  
16 amount contributed by members during that fiscal year.

17 (b) Notwithstanding Subsection (a), Section 1575.202,  
18 Insurance Code, for the state fiscal year ending August 31, 2013,  
19 the state may contribute an amount to the retired school employees  
20 group insurance fund that is less than one percent of the salary of  
21 each active employee.

22 SECTION 28. This Act takes effect September 1, 2011.



\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 1667 passed the Senate on April 29, 2011, by the following vote: Yeas 31, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 1667 passed the House on May 20, 2011, by the following vote: Yeas 149, Nays 0, one present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor